



140 SALT ROAD, ENOLA, PA 17025

(717)975-9001

Executive Roundtable 10-15-2020 Rough Notes

COMPUTER RANSOMWARE (1st topic)

Career Builder is down since last Friday. They sent out an email saying their systems were penetrated. My recruiting business has been locked out for 7 days now. That is a huge international internet based company.

How is computer crime affecting our local companies?

One of our participants had something to say about the panic of staying up all night and all weekend trying to survive a ransomware attack.

Every company is in 1 of 3 categories

1. You have been hit and are investing serious money to not get hit again.
2. You are investing serious money on serious protection.
3. You are going to get hit hard and regret it.

These are organized vicious criminals. They find a way in because someone clicks the wrong link. But now they don't just send spam emails from a hacked computer.

That link now opens up a back door. They install a key-logger, and cause a minor problem. When the IT guy comes to fix it, they steal his logon and password. Then they get into the core servers.

They spend a literal month cataloguing your whole system. Then they lock it down, encrypt it, and send you a ransom demand. They hold all your data hostage for a blackmail amount specific to your cashflow.

They corrupt your main servers, your backup servers, and your backup data.

There is no way for most companies to survive in a situation where you lose 3 months of financials.

Technically, it is illegal to pay the ransom, but a LOT of companies, universities and local governments are paying it.

If you are not seriously backed up with a cloud based system you are courting disaster.

Risk is definitely less if your ERP system is maintained by one of the SAAS companies like NetSuite.

If you are virtually running your own servers, you are still in trouble. The cloud is not magic. You can be just as exposed as if you had your own physical servers.

There is a company here in Harrisburg, PA that is going through that now. They are getting everything up in the cloud now. Another one of the attendees said they are moving to the cloud now too.

The bad guys pride themselves on being honorable and if you pay the ransom, you get your data and systems back. Great. Honorable evil men. Just like in the movies.

Links for more information: <https://www.zdnet.com/article/this-major-criminal-hacking-group-just-switched-to-ransomware-attacks/>

<https://www.zdnet.com/article/ransomware-huge-rise-in-attacks-this-year-as-cyber-criminals-hunt-bigger-pay-days/>

And a list of best practices to strengthen a company's protection:

<https://digitalguardian.com/blog/ransomware-protection-attacks>

THE COVID ENVIRONMENT (2nd topic)

Managing employees working remotely.

Using Microsoft Teams, Zoom, lots of video communication. Video on, not telephones so that you make a personal connection.

Morning "Standup Meeting" reporting to the group. What I did yesterday, what am I doing today, and what are my roadblocks. You are reporting to the TEAM and not to the manager. That way everyone is more likely to help each other. Video on, of course.

"A" players are still "A" players. My "B" and "C" players are just as hard to get engaged at home as they were at the office.

Using Microsoft Teams because it is free with the Office Suite.

I am coming into the office every day because my CEO wants me in. One member of my teams comes in every day to work with me....AP, Treasury, Sr. Accountant, etc. Then at month-end the whole team comes in on the month-end.

We have social distancing, plexiglass on the cubicle, fever checks. No cases yet in their 100 person plant so far. Their manufacturing people are working far enough apart to not need more social distancing.

Lots of flexibility for my team. I make myself available when my people need something. That way people can get more done.

Having a LOT more meetings by video. It feels like everything turns into a meeting.

We have 2 guys in Mexico that have been exposed yesterday. So we are dealing with that.

Our guys travel a lot. Try to travel without using airplanes. We have COVID tests whenever they get back. I am pretty sure my guys in Mexico are okay, but we are moving forward. The good thing is that they drove into Mexico so they can drive back into San Diego in a couple of hours.

We are trying to keep things as normal as possible. All our workers and engineers have to be in the plant to work together. Business is a little slower. We are holding meetings in the shops and at the outside picnic tables when it is good weather.

This will probably be going on until next summer unless they have a vaccine or a treatment. If they have a good treatment and you can be done with an infection quickly, then it will all be over. Life will return to normal.

Do the manufacturing floor folks get mad when the corporate team works from home?

Yes. We are having our whole corporate and shop floor team come in. It was going to be a problem for us.

We had a lot of people complaining about the masks. We found that a lot of the employees prefer the clear face shields. They are complaining much less. Our office personnel have been coming in all along. We really are keeping ahead of the complaints if we can.

Outsourcing or Insourcing more now?

Because work is slow for us, we have brought back in some work that we have subbed out. Some of the machine shops that were slow before have gotten even slower since they are taking days off. The good ones are getting very busy. We are weeding through our vendor list and there are a bunch of companies we will stop doing business with.

We have also pulled back machining work we were subbing out. We are also seeing good and bad results from the subcontractors.

I expect to do the next Roundtable sometime after the election when we are pretty sure who got elected. So it will either be in November or February. (That was a joke. November. I hope.)

Have a great month.

Bryan Dilts

President

AGI – Dilts & Associates 717-975-9001 x 101
